

Dockets



Federal Communications Commission
Washington, D.C. 20554

AUG 26 1996

The Honorable John Linder
U.S. House of Representatives
1318 Longworth House Office Building
Washington, D.C. 20515-1004

DOCKET FILE COPY ORIGINAL

AUG 28 '96

Dear Congressman Linder:

Thank you for your letter dated July 3, 1996, on behalf of your constituent, J. Robert Stern, regarding the Commission's policies for licensing 800 MHz Specialized Mobile Radio (SMR) systems. The situation described in Mr. Stern's letter relates to 800 MHz SMR systems and not cellular systems, as referred to in his letter. Mr. Stern's expresses concern that he did not receive licenses for SMR systems for which he applied.

The Wireless Telecommunications Bureau received approximately 40,000 applications between November 8, 1993 and August 10, 1994 for channels in the SMR, Business, Industrial/Land Transportation and General Categories. Using computer software provided by a coalition of SMR industry representatives, the Wireless Bureau's Licensing Division in Gettysburg, Pennsylvania processed those applications and granted approximately 4,500 new licenses. The remaining applications which could not be granted because there were no frequencies available have been put on waiting lists. Once frequencies become available, additional licenses will be granted.

With respect to future licensing, the Commission is committed to pursuing policies for the 800 MHz SMR service that will provide opportunities for both large and small SMR system operators. To date, SMR operators have had far less flexibility than other commercial radio service providers to expand the geographic coverage of their systems or increase channel capacity in order to provide a more diverse array of services to customers. This is due in large part to the fact that SMRs have been licensed for over a decade on a station-by-station basis; i.e., licensees must obtain separate Commission approval each time a site is added to or relocated in a system. As a result, many licensees are unable to expand under our current rules because their channels are licensed to other licensees at adjacent sites. To give SMR licensees greater flexibility, the Commission adopted a First Report and Order, Eighth Report and Order, and Second Further Notice of Proposed Rule Making (First Report and Order) in PR Docket No. 93-144. The First Report and Order was adopted on December 15, 1995, after consideration of extensive comments from all segments of the SMR industry, including comments from numerous small SMR operators. The Commission's decision also reflects months of work by Commission staff with SMR industry representatives in an effort to achieve consensus on key issues. As a result, the First Report and Order contains numerous provisions and proposals that are responsive to the concerns of existing SMR operators and those operating smaller systems, in particular. For your convenience and information, enclosed is a copy of the Press Release concerning the First Report and Order,

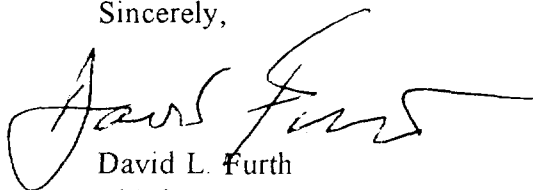
which includes a summary of the principal decisions and proposals made.

The Commission's decision to auction 800 MHz SMR spectrum is consistent with Section 309(j) of the Communications Act, which sets forth certain criteria for determining when auctions should be used to award spectrum licenses. Pursuant to these criteria, auctions are to be used to award mutually exclusive initial licenses or construction permits for services likely to involve the licensee receiving compensation from subscribers. The statute also requires that the Commission determine that auctioning the spectrum will further the public interest objectives of Section 309(j)(3) by promoting rapid development of service, fostering competition, recovering a portion of the value of the spectrum for the public, and encouraging efficient spectrum use. The Commission has concluded that auctioning of SMR licenses satisfies these criteria. In particular, we believe that auctions will minimize administrative or judicial delays in licensing, particularly in comparison to other licensing methods such as comparative hearings, lotteries (which are specifically prohibited by the statute if the service is auctionable), or "first-come, first-served" procedures. We note that the statute does not distinguish between new services (such as Personal Communications Services) and existing services in terms of whether initial licenses in a given service are auctionable.

Significantly, however, the Commission's decision to use auctions applies only to issuance of initial licenses in the service, and is not intended to affect rights afforded to licensees under existing authorizations. While we recognize that the high level of existing licensing in the SMR service raises additional concerns, we believe auctions are an appropriate licensing mechanism in such an environment. First, auctions will only be used in the event that there are competing applications for the same license. Second, where auctions do occur, we have adopted special provisions, including installment payments, designed to ensure that small businesses are able to compete in the auction and in the provision of SMR service.

Thank you for your inquiry.

Sincerely,

A handwritten signature in dark ink, appearing to read "David L. Furth", with a stylized, flowing script.

David L. Furth
Chief, Commercial Wireless Division
Wireless Telecommunications Bureau

JOHN LINDER
4TH DISTRICT, GEORGIA
COMMITTEE ON RULES

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Congress of the United States
House of Representatives
Washington, DC 20515-1004

July 3, 1996

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PRB
PR
3742

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554


Dear Mr. Hundt:

I am writing on behalf of one of my constituents, Mr. J. Robert Stem, from Atlanta, Georgia.

Mr. Stem contacted me to express his concern with the way in which the FCC is handling the awarding of cellular telephone licenses. I would appreciate your reviewing Mr. Stem's complaint, which is detailed in the enclosed copy of his letter, and providing me any relevant information you have on this matter.

I appreciate your attention to my constituent's concerns, and I look forward to hearing from you.

Sincerely,


John Linder
Member of Congress

JL:csr

FILE No. 490 07/19 '96 08:56 ID:

JOHN LINDER
4TH DISTRICT, GEORGIA
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(770) 936-9400Congress of the United States
House of Representatives
Washington, DC 20515-1004

FAX TRANSMITTAL

FAX NUMBER: (202) 418-2806DATE: JULY 19, 1996TO: DianeCOMPANY: J.C.C.FROM: WASHINGTON OFFICE OF CONGRESSMAN JOHN LINDER
1318 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515-1004
TELEPHONE: (202) 225-4272 • FAX: (202) 225-4696

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|---|---|
| <input type="checkbox"/> John Linder | <input checked="" type="checkbox"/> Clinton S. Robinson |
| <input type="checkbox"/> William I. Evans | <input type="checkbox"/> W. Robert Woodall |
| <input type="checkbox"/> Henry G. Plaster | <input type="checkbox"/> E.R. Gregory |
| <input type="checkbox"/> Elizabeth Reid | <input type="checkbox"/> Elizabeth Dallas |
| <input type="checkbox"/> David Baldwin | <input type="checkbox"/> Tiana Scogin |
| <input type="checkbox"/> Other _____ | |

SPECIAL REMARKS: _____

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PAGES, INCLUDING THIS COVER SHEET

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Congressman John Linder
1318 Longworth House Office Building
Washington, D.C. 20515-1004
June 7, 1996

Dear Congressman Linder:

At the outset of the "great opportunity for the little guys to get into businesses on the 'information super highway'," I invested my life's savings in applications for F.C.C. cellular telephone licenses, fully expecting to be an integral part of this burgeoning new business. The F.C.C., in their greed, seems to be making sure that only the "big boys" get to be a part of it.


Instead of issuing ANY of the YX licenses that I applied for, (forty-one), they are harboring these licenses for their own aggrandizement by way of throwing them into an auction that only corporations with very deep pockets can score, leaving those with limited, but adequate, funds out in the cold, unable to be a part of the American dream.

I invested over \$80,000 in license applications, had been issued F.C.C. control numbers on many of them, only to find out now that I will NOT receive ANY of these licenses. I am not the only person to fall prey to the F.C.C.'s tactics of rule changes in the middle of the game. This bureau has turned criminal in the eyes of several thousand would be American entrepreneurs. This should NOT be allowed to happen. You can help.

I'm not Western Electric, Bell South, Nextel, or Motorola, but I, and some other Americans should have a chance to participate in something that started out to be an "opportunity for new businesses."

Congressman Linder, you can be of serious help here. Please?

Sincerely,


J. Robert Stem
2080 Clairmeade Valley Road
Atlanta, Ga. 30329

cc: FCC - CMA to Stem
cc: FCC - Stem to Reed

CSR 15010

677137

FILE No. 490 07/19 '96 08:57 ID:

LOCATION	LIC.	F.C.C. CALL NO.	
ALBANY, NY.	- - YX -	-	- -
ALEXANDER, AR.	- - YX -	663243	- -
ANCHORAGE, AK.	- - YX -	0666858	- -
AUGUSTA, ME.	- - YX -	-	- -
BANGOR, ME.	- - YX -	668640	- -
CLANTON, AL.	- - YX -	0666113	- -
CONNELLSVILLE, PA.	- - YX -	0666859	- -
DAVENPORT, IA.	- - YX -	-	- -
DES MOINES, IA.	- - YX -	666117	- -
FT. DODGE, IA.	- - YX -	666818	- -
GREAT FALLS, MT.	- - YX -	0666568	- -
GREENBAY, WI.	- - YX -	0666891	- -
GREENWOOD, LA.	- - YX -	0665514	- -
HELENA, MT.	- - YX -	0666897	- -
HILO, HI.	- - YX -	0666894	- -
HONOLULU, HI.	- - YX -	0667247	- -
IDAHO FALLS, ID.	- - YX -	-	- -
IRONTON, OH.	- - YX -	-	- -
KINGSVILLE, TX.	- - YX -	-	- -
LAREDO, TX.	- - YX -	-	- -
LINCOLN, NE.	- - YX -	663215	- -
LITTLE ROCK, AR.	- - YX -	0666111	- -
MIDLAND, MI.	- - YX -	-	- -
MOSES, AL.	- - YX -	0665525	- -
PITTSBURGH, PA.	- - YX -	-	- -
PLAINVIEW, TX.	- - YX -	-	- -
REDDING, CA.	- - YX -	0666554	- -
REFUGIO, TX.	- - YX -	-	- -
RENO, NV.	- - YX -	0666876	- -
RIRIE, ID.	- - YX -	0666556	- -
SHREVEPORT, LA.	- - YX -	-	- -
SOUIX CITY, IA.	- - YX -	669973	- -
SOUIX FALLS, SD.	- - YX -	0666635	- -
SPOKANE, WA.	- - YX -	671745	- -
SPRINGFIELD, MO.	- - YX -	0670075	- -
VOOREESVILLE, NY	- - YX -	0666862	- -
WILLIAMSBURG, IA.	- - YX -	0666851	- -